



**ZIONSVILLE TOWN COUNCIL
MEETING MINUTES
FOR
MONDAY, OCTOBER 4, 2021
AT 7:00 P.M.
ONSITE MEETING
1100 West Oak Street**

This meeting was conducted onsite. All Councilors participated in person. The public attended via Zoom and in person.

Council Members Present: Josh Garrett, President; Jason Plunkett, Vice-President; Brad Burk, Alex Choi, Joe Culp, Craig Melton, and Bryan Traylor

Also Present: Heather Willey, Town Council Attorney; Amy Lacy, Municipal Relations Coordinator, Mayor Emily Styron and Town Department Staff.

1. OPENING

The meeting was called to order at 7:00 p.m.

Garrett We will call this meeting to order. Please join me in the Pledge of Allegiance.

All Pledge of Allegiance.

**2. APPROVAL OF THE MEMORANDUM OF THE SEPTEMBER 20, 2021
REGULAR MEETING**

Garrett --approval of the memorandum of the September 20, 2021 regular meeting. A copy has been posted. Councilors, any questions on that?

Choi Move to approve.

Garrett First from Councilor Choi.

Plunkett Second.

Garrett Second from Vice-President Plunkett. All in favor?

All Aye.

Garrett All opposed?
[No response.]

Garrett The memorandum of the September 20, 2021 regular Town Council meeting is approved by a vote of 6 in favor, 0 opposed.

3. REQUEST TO SPEAK ON AGENDA ITEM

Garrett Amy, any requests to speak?

Lacy I have no requests to speak.

Garrett Very good.

4. MAYOR/ADMINISTRATION UPDATE

Garrett Any mayor or administration update?

Lacy No, no updates.

Garrett Okay. Mayor, I appreciate you joining us here today, thank you.

5. OLD BUSINESS

Garrett No old business.

6. NEW BUSINESS

Councilor Burk joined the meeting at this time.

A. Zionsville Gateway Area Study Presentation

Garrett So, we are quickly onto new business. So, we've got the Zionsville Gateway area study presentation, Cara Weber of Dell Design and Thomas P. Miller and Associates.

Weber Thank you. I need to pull up the presentation here. Okay, good evening. I think we're just on the back screen. It looks like it's showing up there. I apologize to our audience here. I wanted to say thank you for inviting us here tonight to give an update on the Zionsville Gateway Area, fondly known as the ZGA because we don't have enough acronyms in our life. So, we have a ZGA update for you all. Um, oh you know what that's not actually my screen I'm realizing. Okay, so Joe is going to move forward with me. If you'd go to the next slide. Okay, we'll roll with this. This is not the order that I have but that's okay.

Garrett All right.

Weber So here's some lovely pictures of the process that we have gone through. This process began a little bit over a year ago, about 14 months ago in August. We've had an incredible amount of input from the community, from some of yourselves, from a lot of different groups. It's been a really, really rich conversation of input. There's very, very smart and impassioned people in this community. It's been lovely to hear from them. So, if you'd keep going forward. And, yep, my pictures. So, here's a quick overview of the process that we've gone through with listening sessions beginning in October 2020, online listening sessions. Again, this was in the thick of COVID, pre-vaccine so we made it very accessible to all. Stakeholder interviews. There's a lot of very specific stakeholder groups with a vested interest and particular lenses on it that was really helpful to hear from. We also have had a draft study listening session previews and, finally, the ZGA website was launched on August 26 of this year.

Garrett Okay, what's that website, just so people know?

Weber Yeah, thank you. ZionsvilleGatewayArea.com.

Garrett Thanks.

Weber So, everything we're talking about today is also on that website. This is a quick, high level overview to get us all on the same page. Next slide, please. We all know and love the Zionsville Gateway Area. It is a wonderful opportunity as a gateway into our beloved downtown. It is, has an incredible amount of opportunity. There are some areas there that are really, really rich, um, in both their vistas and both what they can offer to support the downtown Village Business District as well as the whole of Zionsville. So, this is the area. The Town owns one of these parcels, so any other vision going forward with the remainder of these parcels will be a business transaction of some sort. Trade, a purchase, etcetera. So, keep going forward, please.

Part of this process was to identify some goals. What will be our litmus test as we explore what is right for this area. So, those three items were any development must be economically vibrant, it must be whole community serving and it must be an authentically Zionsville experience. There was overwhelming response to all of these points, particularly the third is that this must feel like who we are and not to try emulate a community that we are not. Next up.

So, the process that we've gone through over the last 14 months or so, big picture. This is a design-thinking framework. So, No. 1, understand what does the community want. If we can allow the community's voice to drive any development, any changes in this area, that will be a success that the community can write this story. Secondly, how can we provide it? What is an economically feasible, feasible in terms of what the land allows us to provide and the topography, etcetera, how could it be provided, what are our options? So, this is the general process that we went through. Next slide.

And, then we arrived at a development suggestion through iterations, um, many feedback items and there's a lot of data to support this general development. We developed a strategy that achieves everything that the community asked for while also being economically feasible and sticking to those three points. Next slide.

This is the ZGA study website. I hope the Town and I know it's been published and pushed out in a lot of places, hopefully, the community has been able to explore it. I know there's been really great emails, feedback back already. Great dialogue being had about the Zionsville the ZionsvilleGatewayArea.com again. Next up.

So, we can talk about numbers. We can keep going through this slide. I know it's probably tough to read up there but we can certainly respond. We can reference that as the questions. What does the community want? Again, this is all on the website but we wanted to develop a summary of what it was that the community asked for in this area. So, there's five points there. Next slide.

And, then how can we provide it? What would those design tenets be that would allow us to provide a design, a development suggestion, again, a framework to achieve all those. So, there's eight points of design tenets. Next slide.

What are the next steps is probably an important question here. So, on October 18, the ZGA is on the agenda at the Plan Commission and then the remainder of these steps, we can discuss and ask questions about, can overlap, they can run concurrently, they can go in a few different orders depending upon how the Town would like to proceed and at what speed. Next step, next slide, rather.

So, that is a quick overview and I would like to open it up for questions anyone may have.

Garrett Thanks, Cara, I appreciate that. So, you sort of talked about going in front of the Plan Commission. Will this be its own zoned area? In other words, a lot of that area is zoned Village Business District with certain requirements whether it's parking, height, setbacks. Will this have unique zoning to that? Is that the idea?

Weber Yes, that is part of what we're seeking to explore. Is the Village Business District appropriate? Does it need actually a subgroup and there's concurrent efforts in studying the kind of forum-based code as we'll all kind of look at in the Town. So, yes, that may be something as a tool to promote this development, we may need to employ a separate or a subset of a, code type, yes.

Garrett Got it. And, then, once, once the, once that's done. I know that Council a meeting or two ago sort of at the request of the Mayor, had approved an appropriation for a parking lot that is in that because we did think it would be two to three years until there would be ground broken. Is there a sense of generally, I mean, is this something that starts in a year? Does it start in five years? I mean, I know that's a hard-to-answer question but any expectations of when folks might start seeing—

Weber You know, anecdotally, there's a lot of eagerness, I think as maybe the whole community has been aware of, to get development going here. Um, I don't know that I can comment very quickly on a timeline other than I think within a year it would be a critical step is to really, to get the infrastructure underway, roadway realignments, confirming all the traffic studies that support the design so I would anticipate, and jump in, remainder of my consultant crew, if you have other ideas

but I would anticipate within 12 months, you could move forward with some version of development here.

Garrett And, this has traditionally happened in other engagements you've been in, do those developers still try to propose projects that are outside the scope of what in this case would be the ZGA zoning? That's been the problem in the past, where they propose what it's not zoned for, we say no, we're labeled anti-developer. Someone else proposes something even bigger, there's a community uproar, we say no and sort of this endless cycle. Does this sort of like, is this sort of "This is what we want. This is what we'd approve because we've zoned it." Is that kind of the--?

Weber That's essentially the spirit behind it. It's supposed to flip the script. Instead of the community and the Town and yourself being sort of on the responding end of developers coming in with ideas, the Town then gets to be the protagonist in the story. They get to write the script. We get to author whatever the tools are that may support the development that we want and then, the developers, we can start to talk to them. "Hey, if you work within these rules, achieve these goals, we anticipate that you will have a favorable outcome in your development suggestion."

Garrett Does that also, sorry, I'm hogging all the questions here, does that also mitigate unreasonable or unrealistic land price expectations from owners of land if this is then zoned to what the community wants, they need to price it as a way that will support developers making money, them making money and the Town getting what they want, is that, have you seen that work?

Weber Yeah, it should. I mean, with, with all of the numbers that were run in the proforma, it should help normalize those land prices because it's shown as what is able to be developable, at what tax rates and at what, you know, anticipated revenue coming out of those developments?

Garrett Got it. That's it for me, thanks.

Weber Thanks.

Garrett Anyone else?

Choi You said two things that seemed to contradict each other a little bit. One is that when you mentioned the Town owning only one parcel of it and then wanting to acquire the other parcels but then, partnering the developers to develop them. Is the Town contemplating purchasing the other properties? Or –

Weber So, I can't speak to that. I think the comment that I meant to say and thank you for offering me a point of clarification is that the Town owns just one of those parcels and that the remainder of the development would have to be under some sort of, if the Town wants to explore trading a property for a property the Town owns elsewhere or if developers want to purchase land from any of these individual landowners, either parceled or otherwise, um, those would be all separate transactions.

Choi Okay.

Weber Thank you.

Traylor I don't have a question but I have a comment. You know, the traffic has always been a problem and been like the center point of this and the, I don't know who came up with the idea of shutting down Main Street from Sycamore to the creek but it actually makes it work, and I was really impressed by that. It's the drawing that I've seen that I look at and I think, "That might actually work." Because we've had a lot of drawings over the course of years that none of them seemed to—there always seems to be, well, it won't work because of this or that. So, yeah, overall, I know a lot goes into the gateway as a whole but the traffic flow, I think, if nothing else gets pulled out of this to use, I think that works. Or, it looks like it would. Now, watch, five years from all be—they'll play back this recording and go, "That idiot."

Weber Will be able to blame you.

Traylor Exactly.

Garrett All right. Any other questions? Well, thanks for coming in. Appreciate it, Cara.

Weber Thank you very much.

Garrett Good job.

B. Consideration of an Ordinance to Amend the Town of Zionsville Zoning Ordinance (Petition #2021-31-Z, Goodwin)
Ordinance 2021-10

Garrett Next, we've got a consideration for an ordinance to amend the Town of Zionsville's zoning ordinance. This is petition #2021-31-Z, the Goodwin request. Mr. Price? I believe the floor is yours. Ordinance #2021-10.

Price Yes, thank you, Mr. President, members of the Council, for the record my name is Matt Price with an address of 10 W. Market Street in Indianapolis, Indiana, the Dentons Law Firm, on behalf of Pulte Homes. I have two representatives of Pulte with me this evening, Dave Compton and Robyn Crawford. The three of us each presented at the Plan Commission meeting back on September 20, so last month to rezone the little over 68 acres at the northwest corner of 875 E. and County Road 400 South. The proposal that you have before you is to effect a zone map amendment to rezone that parcel from its existing R1 designation to R2. During the Plan Commission hearing there were certain commitments and conditions that were made subject to their recommendation which was unanimous. Those two commitments were that we would limit the number of single-family homes to 106 and we have agreed to that commitment. Then, secondly, we submitted and I'll show you here in just a moment, we submitted a concept plan in connection with the rezoning that showed our anticipated perimeter landscaping and we agreed that the landscaping would be in substantial conformance with

that concept plan which was crafted in consultation with nearby neighbors as well as being informed by Zionsville's zoning ordinance. A third—I also mentioned conditions—there was one condition also placed on the rezoning which was that there would be additional signage added at County Road 400 to indicate that traffic does not stop moving north/south along 875. We maintained and continued to keep it in as a condition. Upon additional review as they say following the hearing we noted that that signage is actually already present on the stop sign at County Road 400 and 875 but we nevertheless, maintained that as a condition although we believe it has actually been fortuitously satisfied just by existing conditions.

Joe just brought up my PowerPoint. If I could, I'd like to show you a few things about the proposal that we're very proud of. Move to the next slide. Just to orient you a little bit, this is the rectangular-shaped property outlined in green is the parcel. There are some existing single-family homes immediately on the east side of 875 that are not within a platted subdivision but to orient you immediately east of those homes along 875 is the Rockbridge subdivision. Then, in the southwest kind of abutting property is Hampshire. Go to the next slide.

You'll see kind of where Rockbridge fits in with the Goodwin property and then, I didn't mention this but the Preserve at Spring Knoll also kind of kitty-corner to us. The property is bordered on the, at least a portion of the southern property had an electric utility substation. The property itself is bisected by some high-tension power lines which have been incorporated into the development if you will which we'll show you. Next slide. That's just another depiction of kind of what the existing pattern is in the vicinity. Next, Joe.

This is the site plan. I mentioned the landscaping. The access point to the far right is 875. That's our eastern access. The access to the south is off of County Road 400. You'll see that it's limited to the 106 homesites and what we made a commitment at the Plan Commission hearing was that our landscaping plan would be as shown on this proposal. One of the things that was important to the neighbors across 875 was to have that screening maintained from their properties to the properties to the west. Go to the next slide.

I wanted to talk a little bit more about that because there were some specific commitments made and the ordinance that you have in front of you is, at least in my experience, is unique in that we made certain private commitments at the Plan Commission meeting that we've incorporated into the ordinance that have to do with three of the property owners that are in close proximity to the project. Essentially what we've done is we've worked with the property owners that are immediately east of the 875 entrance to propose some enhanced landscaping and screening treatments for them. The property who has their driveway that lines up with our southern entrance drive, the southern half of that entrance drive, we've discussed with them the installation of a fence to help screen their property from the entryway, the idea being that we wanted to make sure that there weren't headlights intruding onto their property. What we've proposed is as a minimum treatment would be that fence construction. Likewise, with the property owner immediately north. The one I just spoke of is Mrs. Ide. Immediately north is a property owner that we've also worked with to develop a plan for adding some additional berming on their side of the property including some additional

landscaping treatments. Also, some detail you might see in that commitment having to do with the relocation of an existing crab tree. All of that is spelled out in those private commitments.

I'll mention one other thing because it's more of a, it's more of an ongoing thing but it's something that's going to get worked through, through the development plan phase of this project. We've also walked the site with one of the property owners to work on what we might be able to do to address some of the existing drainage conditions that they're experiencing now. I think as kind of the result of the impacts of the Hampshire project and the Rockbridge project and kind of how those two function today and what we might be able to do to improve that situation going forward. There's not a proposed solution yet but the investigation has started and that's something we feel like we can make great strides on as we work through the specifics that you would as part of a development plan. If you go to the next slide, Joe. Thank you.

This, this is some, some representations or simulation if you will looking from Mrs. Ide's driveway back to the northwest to kind of show what entryway off 875 would look like. Next slide. This is a vantage point looking southwest that you can see just in the far right corner of that picture, you can see a representation of what that entry drive would look like and it points south and southwest.

We do, do want to show some of the home renderings for what the proposed homes will look like. I do want to add that a three-car garage is an option. So, that's a possibility on several of the home elevations. Next slide. These are some of the interior and finishes. Obviously, Pulte has been in the community for a number of years. Robyn, in fact, just moved back to Indiana here recently. She was actually part of the Cobblestone project when it was launched. Her sister lives here in Zionsville. So, kind of coming home for Robyn. Next slide. Here's some other examples of the streetscape. I think that's it. Oops, got another one. It would incorporate sidewalks, street trees, all the improvements that you would anticipate through the development plan phase of the project.

Dave, Robyn and I would be happy to answer any questions that you have. We respectfully request your approval this evening. Thank you.

Garrett Matt, on the southeast portion of that property, it looks like it kind of juts in a little bit and there's a little, maybe—is it taking the whole square of the Goodwin property. I'm just looking on Google Earth here. There's kind of like this farmland, then this real narrow strip of grass, then just like a little, I don't know if it's a vegetable garden or something. It looks like it has some power lines on it. I was just curious if that's going to get.

Price Oh, I see. Yeah, it is, all encompassing. It comes to that, to the point of that intersection. I think what you may be looking at is ah, Dave, is that part of the—maybe the existing drainage improvements over there?

Garrett So, will that just be left as is?

- Garrett If you're going to—I'll ask for public record, if you want to talk, just, don't mind coming to the lectern so folks online can hear you, too.
- Price Yeah, it will—incorporated and largely left undisturbed as part of the existing legal drain.
- Garrett Got it. You mentioned this casually but just to reinforce, this came with a unanimous approval from Plan Commission?
- Price It did. Subject to the commitments and condition that I mentioned, yes.
- Garrett Got it. Did the schools do an analysis?
- Price They, they did not. I think part of our rationale for the case, given our anticipated price points it wasn't something that was requested of us anyway. And, we have not, at least not recently made requests like that for more of a traditional single-family development.
- Garrett What is the anticipated price point just out of curiosity?
- Price We think it will be solidly in the 450s on up.
- Garrett All right.
- Price What Pulte is dealing with now is that everything continues to go up for a lot of reasons in the economy.
- Garrett Yeah.
- Culp I guess, talking about the schools, so you said that the price point, explain that a little, I just don't—educate me on that.
- Price Well, what the, I believe what the school formula has indicated over the years is that using their projection of child/unit, child/home, if you're in the 450 to 550 kind of range, it's a wash under their projections. So, where I've seen the studies more, get more of a fine point put on them is, if you're doing something other than a traditional single-family home where it's below that, significantly below that price point. Otherwise, it's kind of a, you meet the standard, if you will.
- Culp Interesting. I would have thought it would be by the amount of units, not by the price of the home. That's interesting.
- Price Yeah.
- Culp Okay.
- Price Well and what I think, maybe that's the reason that that might be somewhat intuitive is that, I think in some of the higher density projects that have had lower price points, that's where you've seen those studies.

- Burk Matt, is that just because that's higher taxes that people are paying?
- Price Exactly. It's taxes and the school funding formula contemplates how many children, they get so many dollars per child. So, when you factor in the child generation component plus the taxes paid, the kind of rule of thumb at least in recent, recent years has been that half million dollar marker or thereabouts.
- Culp Because I can imagine that Pleasant View Elementary has got to be getting pretty full, I would think.
- Price I think that is one of the schools that has experienced some growth. Obviously, they've got the new, new school going in as well like right in that same area to handle that.
- Melton That's true. Matt, do you know how many more homes you can build if you get it to R2 versus R1?
- Price Well, R1 is extraordinarily low. It is one unit, I think no more than one units per two acres. Wayne's nodding. So, over the course of 68 acres, you're talking about nominally 39-40 homes. So, there's a, there's a difference. I think what, what we've seen over the last several years is that the area has continued to develop kind of more consistently with this level of density around a 1.6/1.7 unit per acre, you know, like in Rockbridge, certainly Hampshire. And, so, this is consistent kind of with that existing framework. And, this property has some challenges with it with regard to the utility lines. It doesn't lend itself to um, you know, more of an estate home type development. Um, so this seems like the natural fit. I think that was—I can't speak for the Plan Commission but I think that was part of their thinking.
- Traylor So, this intersection, 400 and 875 has started to pop up in my email more and more, people thinking that it needs a four-way stop. And, I at this point don't agree but I could see how adding this neighborhood could have that impact. Did the traffic study or anything address that intersection?
- Price It studied it and concluded that it was a very high level of service even including this contemplated development. I can't remember which Plan Commission member said it but I believe that it was said on the record that it, you know, it was an A/B level of service making it one of the highest functioning intersections around town, you know, by comparison purposes.
- Traylor Okay.
- Price And, they did—I will say that was as a matter that actually we got continued a couple of months in front of the Plan Commission because they wanted us to incorporate some background traffic counts that contemplated development that has occurred, you know, over the last couple, three years including not using data that would have been associated with the lockdown period where there may have been less trips, fewer trips.
- Traylor Yes.

- Price So, we feel confident about that, about that study.
- Traylor Okay.
- Price And, we are being asked—one of the things I think, a plug for Zionsville and the leadership here is, you know, Zionsville has as very, I think you see Westfield adopting our model now. Which is when you build a new subdivision you have to improve perimeter roads. And, with the development of Hampshire and the surrounding area, there's been a number of perimeter roads improved over the last half dozen years. Um, to where those roads are in as good a condition as they've been in in a generation really. And so, um, yes, traffic has certainly increased over what it was, you know, 20-25 years ago but the roads have correspondingly improved and the subdivisions are equipped with acceleration/deceleration lanes, turn lanes, all the requirements under our development plan.
- Melton Who manages the commitments? Is it just the private developer? Is it just the private developer who is responsible for policing their own commitments? A word comes to mind, the Triscari effect and I just don't want that to happen again. So, I just want to make sure that if the Town are the ones that going to be in charge of that or if it's going to be Pulte Homes, I just wanted to be sure that this, that we don't have that effect from your neighbors that you've made these commitments to, even though they're on our docket.
- Price It's a good question, Councilor. So, it's a little bit of both here in terms of, I guess, who has the ability to enforce them and I'll, I'll explain that a little bit here because it's a unique situation. We have one set of commitments that I would call traditional Plan Commission-enforced, Town-enforced commitments. And those are the perimeter landscaping, building our project in conformance with the concept plan which will be reviewed by the Plan Commission moving into the next phase and the limitation on the number of dwelling units. So, those are going to be publicly enforceable commitments. The other, the other three commitments that I spoke of that are with the individual property owners, we styled those differently to make them what we call private commitments. That's going to be a commitment or an agreement between Pulte and the individual homeowner. Now, they are placed on record so that the public can be aware of the commitment but those are going to be separate individual agreements. There is a reason for that which is that those commitments were to set out what the plan was realizing that those plans required a fair amount of working through with the homeowner. In other words, we were going to have to coordinate with Mrs. Ide, for example, on what exactly does she want to best serve her needs. We've made a minimum commitment today but it may be different depending on what her individual preferences are like style of fence, whether there's a fence at all, whether she would prefer landscaping, etcetera.
- Melton So, when you say minimum, is there a dollar assignment to that? Or, is there just the physical drawings that I've seen? Because one of those drawings looks like a really short fence, in my opinion.
- Price Yep.

- Melton So, I just, again, I just want to be clear as, as ever that say you guys have an issue, we approve the development and then there was a dollar amount that you guys all agreed to and they don't want on their property or something along those lines.
- Price Right. Yeah, there's not a dollar amount. It's, it's based on the, I would say, it's based on the concept of having that additional screening and then providing representations of what that screening may look like. I-what I want to be careful about is, while we've had very detailed discussions with, for example, Mrs. Ide, I keep mentioning her, that individual property owner, I don't want to represent that she agrees to a particular design. What I think she is looking forward to working with us on is reducing that to a specific design as we go forward with the process.
- Melton Thank you.
- Burk Matt, similar to Craig's question, I mean, I didn't get a number and maybe I have it somewhere else, but in this, this change, what does that allow, how many total new, additional homesites does that allow you to build? I guess, it doesn't really matter because you don't have a plan or do you have a plan for what would be the case if we didn't pass this?
- Price We do definitely do not have a plan for 40, for 40 homes, yeah.
- Burk That's just not feasible?
- Price It's not. It's not. What we've agreed it that there not be any more than 106 and the R2 is not limited to single-family so we've agreed to limit it to single-family, 106 total homes.
- Burk Okay.
- Choi What's the normal, if it were 106 without any limitations placed on it? What would have been the normal limit?
- Price Well, you could, you could get more creative certainly. The minimum lot size, I believe it's 5000 square feet. Ah, we have approximately 30 acres of open space. Even taking out the area that's under the tension lines, we're still 28 acres of open space. We have a fair amount of open space. So, you know, if you wanted to get, if you wanted to try to maximize density, you could up from there certainly, up from the 106.
- Choi Do you have any idea what you could have fit in there?
- Price Did we do a grid plan? I'll tell you what we did. There's been a history with this property which is, we knew that there have been others who tried to propose sites that I will say just in a ballpark were probably 20% more dense and were unsuccessful. We felt like that to be successful, there was going to need to be the reduction in density and correspondingly, there was going to need to be the screening that we propose, the robust landscaping, the working with the neighbors along 875. Those were going to have to be, I mean, we welcomed that

opportunity. We met with them individually and as a group and worked through a number of issues that way. And, um, came up with a proposal that met our needs from a viability standpoint, I think, and went a long way towards addressing their concerns as well.

Garrett Is this an urban or rural service district, do you know?

Price This is a rural service district.

Garrett Okay. Mr. Lance, I'm sorry to put you on the spot, any concerns yes or no with 106 homes and wastewater capacity? He's shaking his head no. Okay. Thank you. Any questions, Councilors? Any motions?

Choi Move to approve.

Garrett Got a first from Councilor Choi.

Traylor Second.

Garrett Second from Councilor Traylor. All in favor?

All Aye.

Garrett All opposed?

Melton Nay.

Garrett Ordinance 2021-10 is adopted on final reading with a vote of six in favor and one opposed. Thank you, Mr. Price.

**C. Consideration of the 2022 Budget for the Town of Zionsville, Indiana
(First Reading and Public Hearing)
Ordinance 2021-11**

Garrett Next, we have a consideration of the 2022 budget for the Town of Zionsville, Indiana. This is a first reading in public hearing. Tammy and Greg and Mayor. You're welcome to –

Styron Good evening. This is our second budget process working together. Thank you for the time many of you have taken to attend our earlier budget meetings. The feedback that we have received has been extremely helpful. I believe this year we are more familiar with the different sources, or the differences between local government budget management and private business. There are similarities and best practices that town officials can draw from but it's not an apples-to-apples comparison. Unlike a business whose goal it is to generate profit and create shareholder value, local governments are charged with providing and maintaining public infrastructure, public safety, parks and recreation services and amenities, planning services and community and economic development activities to name more than a few. Corporations and small businesses only succeed when they

generate a profit. In local government, a balanced budget is achieved when total expected revenues are equal to total expenditures. However, excess revenue and underspent budgets can accrue over times and different funds. When these fund balances reach a designated threshold, they may be earmarked for specific uses such as capital expenditures for public safety equipment and vehicles. Not all of our divisions or departments generate revenue or user fees but they do have a vital role supporting the overall operations of our Town. For example, IT communications and human resources. Most of our departments rely to some degree on property tax revenue to support their efforts. Not even Town Court operates exclusively on the fees that they generate. When I proposed the 2021 budget, I shared with you that we had a healthy fund balance that could be allocated towards future capital projects. These were planned projects and money had been intentionally save for these specific purposes. Rather than appropriating the fund balance through the normal annual budget, this Council preferred approving an operating budget that could be funded fully through incoming revenue and advised that capital projects would be reviewed through additional appropriations requests in the following year. Therefore, you will find a similar approach being proposed today.

This evening we are proposing a balanced operational budget that invests in our workforce. Our 2022 revenues are projected to increase approximately 2%. This increase is lower than what we have seen in previous years. Zionsville, like many other communities across Indiana, are [sic] expected to see reduced local income tax distributions compared to previous years. The DLGF (Department of Local Government Finance) projects this revenue source will be lower than in past years due to the impact of COVID. As you know, local income taxes are our second highest revenue source. Therefore, we are proposing a conservative approach to our 2022 budgets. I am pleased to share with you a balanced budget in that the incoming revenue is slightly higher than the proposed expenditures. Our 2022 anticipated revenue is 32,587, 219 dollars. The 2022 proposed expenditure budget is 32,570,253 dollars. Given the information we have today, this 2022 is constrained to 2% growth over the current year's budget. We propose to invest this growth in our workforce. The budget offers an across-the-board 4% payroll increase for our employees. The remainder 2022 budget lines will remain at or below the 2021 levels. The budget proposal will allow residents to continue to enjoy current day service levels.

Since the start of my administration, we have worked to modernize our processes and tools across all of our departments. This includes policy setting and long-term planning initiatives as well. Three upcoming financial projects include first, the establishment of a finance committee. This finance committee will review and update and create financial policies and will explore opportunities for additional revenue generation. This five-person team will include myself, the deputy mayor, Julie Johns-Cole, Town Councilor Bryan Traylor, our CFO, Tammy Havard, a Zionsville community member, Amanda Rubeck who serves as the retail banking area manager for Star Bank and the Town's financial consultant. A second piece, and something this committee will work on initially is to update our cash reserve policy. We will set a minimum balance for major funds and review and update the current disbursement threshold. Say that three times fast. Our current policy is about 15 to 20% of disbursements. I believe we would pose a 25% of revenues recommended by our financial consultant but

that's just an example of the sorts of things that this finance committee will wrestle with. Finally, we are going to work on sustainability planning. I would like to see us create an expense and revenue forecast that anticipates trends beyond 18 months and a five-year capital improvement plan for each department at a minimum.

Now, I'm going to ask Tammy to come up. Thank you very much.

Garrett Thanks, Mayor.

Havard Council members, thank you again for coming to the budget workshops and to understand more about municipal finance and all of the nuances about it. We really do appreciate you coming and learning about the departments and what they can do with their 2022 budgets. We will present that same kind of information again here for the public. And, we do have Greg Guerrettaz here with Financial Solutions Group who will come up and talk some more on the financial strategies that we're going to go through.

Guerrettaz Thank you, Tammy, and good evening. My name is Greg Guerrettaz and I am an independent financial advisor and all across the state of Indiana and we work, as you know, on many, many budgets for schools, cities, towns, counties, you name it and been doing it for quite a few years. I've really kind of got involved over the last maybe six months as the independent consultant to evaluate kind of how we go forward with the Zionsville budget and a couple things became very, very apparent. Your, your, everybody's desire to come up with a balanced budget. So, everybody's desire to also treat capital expenditures as additional appropriation and go through that process. Kind of unique, a lot of people will build it in, I'm wrestling with this in Westfield right now, will build it in to the budget and go ahead and okay those. Some will use GEO bonds. Some will do it in a different way through the additional appropriate process which is kind of what I hear you all want to do. In order to do that then, so that we don't allocate too much of our resources to capital as the Mayor had indicated, we're proposing that there be a minimum fund balance established. We've recommended by resolution, that helps with credit ratings and those type of things, so you like to see a formal policy, and recall that that 25% of revenue is revenue goes up hopefully rather than down like we're experiencing, then the amount of the balance will go up and the reason for the balance is to be able to pay payroll, ongoing operating expenses keeping in mind property taxes still only come twice a year. Income is each month. So, we've got to keep up with that cash flow.

The sustainability plan is, I misspoke, I've called it a three-year plan; it's actually going to be looking at five years. I looked at my draft and those are the things that we're going to try to talk to the—we know there's a lot of demand for services—I just heard 160 new homes coming in and usually by the way, we do a fiscal plan analysis on that and make sure what kind of impact that's going to bring in, but we know that's going to bring in an incremental impact. And, so, in order to do that, we've got to factor that incremental and those new demands for services into an overall plan and that's what the sustainability is going to do. So, then, in order to then work on our capital side, we're recommending the five-year capital improvement plan and we're trying to work with the department heads and put that together because I know there's a tremendous amount of park needs.

I know there's a tremendous amount of equipment needs and things like that. I've sat through many types of presentations from the department heads and I've heard it loud and clear. So, we'll be putting together that. Then, to make sure that I know in the past you've done a lot of debt bond issues and so we want to put together an overall debt strategy and kind of look at in comparison to your neighbors. I always do a weighted cost of capital, make sure there's not refunding possibilities there and see how your weighted cost of capital matches up to your credit rating and to other of your peer groups. So, that's something that we'll be looking at.

The budget improvements, as you know, but that is putting together this finance committee and the way I look at it is the budget should never stop after approval. It should be managed like you would a budget in a business each and every month. Where Tammy and I have been working on that will have not only variance to actual on revenue but variance to actual on expenses that you're used to but we really want to see variance to actual on revenue and things like that. So, that's the goal and to bring it all back, then, Tammy's going to kind of give you the overall details as we did in one of the—a couple of the work sessions last week and so, we can kind of boil down as deep as you want in the numbers. Tammy? Is there anything else you think I missed and wanted me to hit?

Havard

Well, the Council might have questions on the revenue. So, while we get that up, I think it's coming right now, here we go. So, this is the OpenGov Financial Transparency portal and some of the council members have been able to log in and be able to see the information and to slice and dice it so I just want to highlight a few of the views right now. As Greg mentioned that we are very concerned about revenues at this point and that, the drop in the local income tax is something that has caused our budget process to shift a little bit in 2022 in looking forward. So, when you look at what the income is for the Town of Zionsville, you can see that for these tax-supported funds that most of the income is taxes. And, so over 92% is coming in from taxes and then once you drill down into that, you notice that it's property taxes but if you look the two incomes taxes, both the normal income tax for the Town as well as the public safety specific income tax, that almost makes up the other half of the revenues that are coming in on those taxes. You also have fees like building permits, anyone filing for the BZA or Plan Commission, that revenue comes in here as well.

And, then looking over at the expenses, we see that there are some major categories of this \$32 million dollar budget that is proposed in front of you today. So, personnel is by far the greatest asset of the Town of Zionsville. And, you can see that reflected here in the numbers. Because in order to pave the streets and to run the technology for the citizens to be able to see, you need people in order to do that. You've got the services including some studies and consultants and things like that. You've got capital which is, of course, is infrastructure and roads. There is debt service on parks and public works. You have operating expenses because the police and fire need uniforms and to be able to operate their departments. You've got transfers into basically mortgage for the Town Hall from several funds and then there's also a little bit for refunds.

And, as you can see in this budget, as the Mayor mentioned, that we have a strong investment in the personnel. We want to keep people and, as Jo will talk

next on the compensation study that we're making changes in order to retain and to attract employees. And, in the upper categories including services and capital, operating, you'll notice that those are either held flat or there might be some changes between categories if one was lowered in services and increased in operating or vice-versa.

So, by far, the personnel is the increase that we're looking at. Included in this budget is a 4% across-the-board increase for the employees. Does anyone have any questions on that right now? And, then, this is just a different way to look at it. We're going to look at it by the departments. So, again, public safety is a priority in the Town of Zionsville and you can see that between fire, police and public works, the significant portion of this tax-supported budget is going towards those areas.

So, let me talk a little bit about what the departments are doing to do with the revenue, well, with this budget that they are proposing in 2022. So, we have the Police Department which you saw was a significant expense of the Town of Zionsville. We're going to maintain those authorized sworn staffing levels. We're going to continue to improve the fleet and explore the use of electric vehicles. We're going to continue preparing officers for the future through supervisory and leadership training and continue efforts to attain national accreditation. In public year, in Public Works, they're going to maintain the recent year's budget of the road surfacing plan and not included in this in this tax-supported funds but also a priority of the Public Works Department, you'll see the road impact fee fund later in the year. The construction of the next roundabout at 800 East and Oak Street and the construction is anticipated to be funded as I mentioned from that road impact fee so it's not included in this analysis. Then, we are also going to maintain the current service levels in seasonal services and programs. In the Fire Department as you know, we're going through a strategic planning process and so we're going to do more planning on that front as well as conduct a merit lieutenant promotion process and develop new firefighting hiring lists for the next two years. With Human Resources, they're going to utilize technology to streamline processes and create strategy in the areas of succession planning, talent management, organizational and performance management, leadership training and development, diversity inclusion as well as workplace wellness. In Finance, you'll continue to see implemented systems that will increase the accuracy and timeliness of data as well as strengthen our internal controls. We have under Finance is also Court and they're rolling out updates to their state software and we're looking for options for the public assistance systems. In the Department of Community and Economic Development, you'll notice that the Perry Township land use plan is included in the 2022 requested budget and that was a priority that we've heard from Council, from the Mayor as well as from the residents. They're also going to focus on technology and the full implementation in the infield services as a result of the purchases and advancement in the service model and, as well as investing in staff. You'll notice that the training has not been where it has been in the past years because of COVID and the limited opportunities so we hope in 2022 and in the future to be able to go back and be able to retain those levels of training and get more staff to be experts in their field.

Culp

Hey, Tammy?

- Havard Yes.
- Culp You go really fast, great information. Could you go back to the top of the Fire Department?
- Havard Yes, absolutely.
- Culp I want to make sure I read something right. Nope, nope. There we go. Okay, Joe, one of those bullet points I'll talk to you later about. I have a question about that, nothing big. Thank you, go ahead.
- Havard So, some of the changes from when we presented at the budget workshops were that we went back and we looked at the property tax and the local income tax allocations to each of the funds. As it was expressed that we wanted to focus and to build up the operating funds in addition to the capital funds. And, so, you'll notice that on the previous form 2 that was published to the agenda for tonight that we do have a change, that we had a local income tax certified shared of 5.4 million and now we're bumping that up to 5.6 and you'll notice that change is coming from the motor vehicle fund and so that is from—it was 1.9 and now it's 1.85. So, that is just one change. And, that the property tax portions of each of the funds is not actually determined until we get the certified information from the state and so we do have flexibility up until the point of the published information on our form #3 which is what we'll have the public hearing on in a little bit and so on this form #3, notice to taxpayers, it lists the budget estimates which we cannot exceed, any of those budget estimates on what is adopted for each of those funds. And, then it also sets a maximum established levy, so the amount to be raised by property taxes. So, again, whatever we end up certifying in the end, it will not exceed these numbers here. Does anyone have question on the—
- Garrett Tammy, can you explain why that 180,000 dollars shifted?
- Havard Yes, so—
- Garrett What is the rationale behind that going from highways to general?
- Havard Do you want to speak to--?
- Guerrataz Well, when we look at the overall MVH it, it is, especially out five years which I told you I've got some estimates running, the MVH fund is absorbed, actually the balance was growing. And, so, it makes sense to what we normally do is reportion those each and every year to keep an operating balance in all the funds and so that's what, that's what it was.
- Garrett I've seen fund balances through June 30. Do you have more accurate information?
- Havard For instance in the general fund, it's over 6 million right now and that doesn't include any transfers from the Fire or the Parks fund. So, the, the cash balances as you'll seen in the sustainability plan and as you'll hear from Greg and myself,

they are healthy balances. I think the concern from Council was necessarily using cash balance that has been accrued over past years, that the focus was more on looking at one year and seeing that the revenues coming in for that year more closely matched the expenses. So, we could leave it where it was before and would have enough cash in order to sustain the budget and we wouldn't have any concerns with that but what I think I heard at the last budget was that they wanted the, um, the revenues to more closely align with the expenses in the fund. And, so, this was in response to that as a proposed change that we can make in order to help to get to a closer goal of that part.

Choi I didn't quite understand that.

Havard With the revenues, there are some revenues that are specific to a fund. There are motor vehicle highway distributions that go directly to that fund. The Town has some flexibility in being able to allocate the local income tax, for instance. So we, we allocate the local income tax between sub-funds. So the public safety LIT that one is revenue-specific, that that one 100% goes into the public safety LIT fund. But, the other LIT can go just to the general fund or to the general fund and the police fund or to the general fund, police fund and the motor vehicle highway fund. So, we have flexibility as Greg mentioned to monitor those cash balances and to allocate a certain portion of those amounts to the funds and to review that information and to make those decisions based on what we are seeing and what new information that we've gotten in. And, the same thing is true for property taxes, that we also can, with a few exceptions like cumulative capital development fund is a set rate that can only go down and can't go up above a certain amount, right? But, the other property taxes you can shift in order to look at the amounts in each of those funds and to fund it accordingly. And, so, that's why we have Greg and the sustainability plan in order to help us with those allocations and what makes the most sense while watching those cash balances not only now but looking at future needs of each of those departments and then making adjustments to be able to fund those.

Garrett So, if you look at the form #1 expense lines, so I've got different columns here. I've got funds, departments, categories, sub-categories, line item codes, um, is the money that goes—I think I know the answer to this question but I want to reaffirm this—is the money that goes into a, well, I'll just pick one here. So, I've got, I've got Planning and Zoning that has 160,000 dollars for consulting. So, that's in the general fund, in the Planning and Zoning Department under services and charges, under professional services, 160 grand. Is that money effectively locked in there in the sense that if another consulting, another department, let's say IT where they've got 60,000 dollars, decide suddenly they need 100,000 dollars, can that money move by itself or is that money movement require a public hearing, public action, public defense of that change?

Havard So, anything that is in here by fund and by department and category, so up to that other, that services and charges level, that is set by Council, and so changes to that would go before Council. So, if someone, in your example, of an IT Department and a Planning Department would need to stay within the department within the category.

- Garrett Got it. So, the category is the restriction not the sub-category, is that a correct statement?
- Havard Correct.
- Garrett Got it.
- Havard Now, every year at the end of the year, Finance comes before Council and asks for adjustments and we do, Council does look at all the information on the line level to make surer that none of the lines are zero. And it is common that maybe there's a consulting line and a professional services line and that one of those is overspent and one of those is underspent. Some of it is semantics of, of how that was booked in the system, um, or just how Council would perceive it but within that category and generally within the lines, the departments and definitely within their budgets, would try to stay within.
- Garrett Got it. The sustainability piece which I'm very excited about, will that be down—so, great example today, right? We approved 106 homes for Pulte, um. We've done it before. It's, it's always unnerving because we are doing it without any sort of idea of the impact that it has downstream to the existing departments, right? I mean, if we look at this budget, the Town is growing, the budget is flat because of the LIT piece. Will, will future developments like that much like it used to go through the schools and I think they always should go through the schools, will they sort of have a sustainability component to it so this Council, future Councils will understand that we're approving 100 homes, this is going to have a net? We're going to have to hire one police officer. This is going to help us by 20% like those are the things that I'm most interested in. I'm less interested in the homes themselves but really what is the impact of the services for those new residents but more importantly the current residents?
- Guerrettaz Let me speak to that. Greg Guerrataz again. Um, your 10 items I put for improving the budget as we go forward, I just added #11. And, and, Pulte Homes knows me well because we do those type of studies. They just left Avon, Indiana two weeks ago and they were required to pay for the study and have the study done.
- Garrett Much like a traffic study or something else.
- Guerrettaz Yes, it's basically an impact study, impact study or what we call it is the cost of community services kind of going forward and they used to, very used to a very lengthy data request that asks some very specific questions. So, I'll add #11 to the recommended list.
- Garrett Yeah, I mean administratively, I would be very interested in requiring that, not for if you're building a single home but for at some minimum threshold for these bodies to understand what is the impact we're having...
- Guerrettaz We do that normally for any #1, PUD change, any rezone and then we also do it as an annexation because I've told you before in one of these sessions, an annexation appeal is very, very valuable. We've got a lot of work with you all to talk about that more but especially with any rezone.

- Garrett And, I don't and we're going to—I don't want to go down this road necessarily but I don't, I mean, I don't know that we can annex anything because we're already in the Urban and Rural, right? I mean, it's more of a change in designation than it is an annexation.
- Guerrettaz Again, we kind of want to chit-chat about the future and I talked about maybe some legislative changes or whatever.
- Garrett Yes.
- Choi Since we talked at the last workshop, were there any changes made to the operational budget of the Fire Department? Or, did that remain the same because I want to bring that up as an example because it plays into my public comments about the unfunded portions of the budget?
- Havard We did not make any changes because the form 1s amounts are set. We cannot exceed the approved budgeted amounts. Um, we did make some changes in the general fund to increase the operational dollars which then supports the, pays for part of that Fire Department cost. We also approached it a little bit different in that the supplemental local income taxes that were brought in for 2021 were not brought to Council for 2021 budget. And, so, looking at 2022, that cash then can help to also buffer that operational side of the expenses.
- Choi Can you elaborate on that?
- Havard So, in 2021, we received 1.9 million dollars of the supplemental local income tax distribution. That was money held by the county. Yeah, the true-up of what was disbursed to the units of government versus what was in the bank and they released a certain threshold. We again do not have any of the supplemental LIT distribution planned and programmed into the 2022 budget. We'll find out around May or June if we will get that. But, that cash that we received in the public safety LIT fund as well as the general fund, is cash that we were not expecting and is available in the cash balance available for use. So, we didn't want to lose sight of that as well.
- Choi But, that's not guaranteed for 2022?
- Havard Correct but we did receive the 2021.
- Choi But, in dealing with the 2022 budget, if you can go over the operational revenue and expense side because that's helpful to illustrate my concerns around the unfunded projects.
- Havard Sure. Let me go over the unfunded projects first and then circle back around if that's okay. So, when we look at the budget numbers, you'll notice that we have 6.1 million, oh, sorry. 6.1 million dollars of requests that were given by the departments as part of we would like this in our budget but because of the restraint of the local income tax being lower than what we had expected, our property tax revenue did go up, but our local income tax went down by more. And, so, this 6.1 million dollars, if we can look at it, we've got the request by

Fire Department for capital, and so you'll see over here, this capital column and then we have Parks requests for different capital expenses like Eagle Creek and Holliday Nature and Starkey parking lot. We've got motor vehicle highway which includes country bridge pathway and some vehicles as well as pathways and culvert replacements. Police has fleet equipment needs and vehicles so you can see that this capital amount is almost 3 million dollars of requests that are not included in the proposed 2022 budget at this point.

And, then on the personnel side, you can see that the departments would like more manpower in order to operate their departments. We have in here 7 firefighters and 3 police officers that with the current budget revenues coming in that we wanted to make sure that we could fund it and make it sustainable so those again are not included in the 2022 budget. In services, there's a transportation plant update as well as a five-year master plan update and engineering for roundabouts and, so you can see that the personnel costs were 2.1 million dollars and the services are almost a million. And, under operating because the fire and police, they need uniforms and medical testing and things like that, you can see that there's another 32,000 that is for under the operating requests. So, that's what makes up that 6.1 million dollars. And, these are currently unfunded. Now, if we find out that we're going to get that supplemental LIT distribution or there's some other funding source that we can look to, then we can use this list and any updates to it from the departments and then we would come before Council and then ask for an additional appropriation just like we've been doing in 2021. So, that, that's no different in the process.

Traylor As it sits, just to make it real simple, as it sits, these items on the unfunded list are essentially denied before it makes it to the budget that comes to us.

Havard Correct. Based on the revenue forecasts that we have at this time.

Traylor Ok, thank you.

Choi The concerns, one of the concerns I have is when we were in that budget workshop, we heard from Captain Klykken and the two officers, it would be nice to have them but we don't need them. Then we heard from Chief VanGorder, those seven firefighters, "I need some of them, this department can't function without them." So, that doesn't sound like something that they can live without.

Havard So, on the fire side, we do have meetings set up to discuss with several stakeholders in the Fire Department, ongoing plans of what we can do to help in that situation. We did increase the overtime costs from 95,000 to 285,000 in the Fire Department at this time. Those are within the services and so, or within the personnel costs, so we can look at talking with those stakeholders and seeing again what we can do to mitigate the staffing issues that they see that they're having.

Plunkett Tammy, how much did you say that was increased by for overtime?

Havard From 95,000 to 285,000.

- Plunkett And, do we know what the Fire Department needed those seven employees, how that, those seven employees would fit into that 285 if we took that money instead of overtime?
- Havard Yes, there's some of that information that was provided to the Council liaison and in the budgeting process. So, that's an ongoing discussion that—
- Plunkett How many employees would fit within that 285? That was not provided to me.
- Havard Yes, it would be two.
- Garrett The sustainability piece going back to that. If we had a supplemental distribution, I would be worried about hiring seven firefighters because it would be a one-time supplemental distribution. How and when does the sustainability piece start becoming part of that conversation? I understand capital costs, especially capital costs that are revenue generating like the roundabout you mentioned and I would recommend you probably would mention that when an appropriation comes up that it was not adding to a budget deficit but it's money earned and money at the door, but it would be helpful on that piece so that we get the supplemental distributions and a decision is made to request it for, you know, a police officer and two firefighters that we're doing it in a way that is not causing problems down the road from a sustainability standpoint.
- Choi Can I add to that also?
- Garrett Sure.
- Choi Is the point that I wanted to bring up along the budget, the operational budget for the Fire Department specifically as we brought up that example in the budget workshop is that you have the operating revenue for the Fire Department which is like 6.3 million, something around there and the operating expense being 7.1 million, somewhere around there. That, you know, you're anticipating that to continue unless for some reason the operating revenue jumps up in the following years that you would run a continuous deficit. That doesn't seem like something sustainable over time either. So, again, to your point, we have a sustainability problem even in that regard, too, where we're continually using the reserves to fund operating deficits over time. Does that make sense?
- Guerrettaz That makes total sense and I guess as I've put it together and as I've done more exploratory surgery with this patient, I mean, I'm kind of hitting my head on the table a little bit and it's starting to hurt. Because that's something that we've got to address and that's why the finance committee as we go forward is going to be critical. And, so yes, I'm saying—
- Choi In the short-term, I'm okay with it because we have to do it—
- Guerrettaz Correct.
- Choi But, in the long term, it just does not seem sustainable to run an 800,000 dollar deficit.

- Guerrettaz I think we've got a business model that won't work all the way down the path. That's what I'm seeing. So, we've got to come up with some—my feeling is we've got the 2022 budget, we're looking at the '21 budget. We've got to move on and we've got to really address some of the structural issues.
- Choi So, to that point, is there a prediction of what the 2023 revenues might look like? I mean—
- Guerrettaz Well, I told you for 2023, I'm hoping that, the non-farm payroll is going to be out, I think at the end of this week from the feds and remember, the non-farm payroll rolling 60-month average is what drives the growth quotient for property taxes. That's one big source of revenue. Second one is, my belief is, and you all know better than I do, but if everybody is employed in Boone County and working and making a good wage then our income taxes ought to rebound and, as I told you if this was an atypical year, we'd be talking about a million two of new money, you know, and we're not at all. And, so, that's the speed bump we hit. And, so, I believe that, you know, that we can project a return keeping in mind the way I've presented the sustainability and the way we do it in every—we'll make six annual updates to it. You know, throughout the year as things change and as we know things. So, it's an Evergreen document that we can update and we can, you know, change some of the assumptions.
- Choi So, if we look next year at this time and see that our revenues grew at a modest 2% again, we've got some real hard choices to make at that point.
- Guerrettaz You do and hard choice will be, will it trend at 2% for the next three years after that? And, if so, then yes. The rubber will meet the road.
- Choi We can't continue to use our reserves to shore up our operational deficits.
- Guerrettaz Nor would the Mayor and everybody propose that obviously. So, that's where I'm saying there may be some structural issues that we've got to address.
- Burk Hey, Tammy, appreciate the detail and all the clarification. I just had more of a general question and maybe you can pull it back up. Um, staffing is obviously critical, about two-thirds of the town's budget. Did you say that there was an across-the-board raise for all employees?
- Havard That's correct.
- Burk And, what was that total revenue, that total bump, from '21 to '22?
- Havard Of the personnel?
- Burk Yeah. Actually, the increase from '21 to '22.
- Havard So, from 20,952 to 17,784. And, so when an employee is given an increase on the salary, there are also benefits that associated with that salary including retirement and FICA, Medicare, 401A matching dollars and things like that. So, it's not a straight 4% increase but all of those additions are included in these numbers here. So, if we just do a quick, so 1.1 million dollars.

- Burk Okay. Yeah, I think it's super important for us to make that investment. I think, um, you presented to us previously kind of a compensation study that we had paid for and you showed us some information, maybe at the last meeting or the meeting before about kind of a median level. Does the 4% get us to the median, over the median, close to the median, do you remember?
- Havard So, if you recall, we did a small additional appropriation to get the people up to the minimum and then this 4% will get us higher and Jo can speak more in the next presentation when she presents the salary ordinance but the bands are only going up by 2.1% and these increases are going up by 4%. Again, she'll address.
- Guerrettaz And, just so, you know, I'm dealing with even on county levels, 16% increases and things like that. The, I'm going to be interested when the wage study comes out, I like to say it's about as good as yesterday. Because if you don't use the 2022 payroll ordinances, you're going to be probably 10% behind where you, you know, any time in the past. This year has had more wage pressures in all 92 counties of the state of Indiana. Martin County even and all the way down there and stuff like that. More wage pressures than ever before.
- Havard And if you recall from the 2021 budget presentation that we had originally had proposed a 3% increase and then cut that back to a 1% increase going from 2020 to 2021. So, this 4% kind of helps to buffer that as well.
- Burk I mean really, it's just cost of living. I mean, it's really not even, we're not really even moving towards the median much at all, right? We're just kind of trying to keep up.
- Guerrettaz Yes, and as I told you, my market basket of inflation is 10 to 15%. Again, you go out and get ready for your light bill. And, and, I think the Mayor's absolutely on it by saying that we're trying to invest in our employees because if you lose valuable employees, it will cost you that raise and many, many dollars after that to train them and to get them up to speed, especially in police and fire and all that. So, it's, it's a very wise move.
- Burk Yeah, I mean, I wish we could do more honestly.
- Choi But, we have to be a little careful of that because it's, it's, as much as I would like to do as much for our employees as possible, we're living in unprecedented times where everybody is taking a hit so we have to be mindful of the fact that we have to meet our own revenue increases and, um, stay within our expected – so, I guess to that point, Jo, will you speak to how other communities are dealing with their, um,--
- Kiel Certainly, I can now or I can wait until my turn.
- Choi Because I, I spoke to some and they seemed to be fairly consistent with, like Lebanon did a 2% increase last and they're doing 2500 dollar increases this year and other communities are doing the same.

- Kiel The averages have been between 3 and 4%. Um, if you look at anyone from federal to state to all the different sectors. Anecdotally, I was with about 40 municipal HR people about two weeks ago, there were some outliers at 6% but most were solidly at 4%.
- Choi For this coming budget year?
- Kiel For 2022.
- Choi What were they doing last year?
- Kiel Some did none, again there were some outliers that did 6% last year. But most were much more conservative with a handful were zero, a couple with 1 and 2 but I would say the majority of those folks were doing 3% last year.
- Burk What's an unknown in those percentages is where are they already in the scale of where they are paying against a median?
- Choi Yeah, the absolute amount is important, too.
- Burk So, you don't really know to compare that. You've got to look at a lot of different data. But, I mean, Alex, you're exactly right. We don't have the funds to do that. It would be nice if we did.
- Garrett Tammy, Greg mentioned his inflationary basket is 10-15%. How much of that was taken into account with the department heads, for example, police and fuel or even heating this building. Is that kind of baked in or is that kind of an unknown right now?
- Havard So, some of the ones that we did have knowns of, then we did plug those in or based on actual information that's coming in but fuel, for example, that's kind of an unknown any year and so again, when we propose the budgets, we try to be, cover enough to where we don't have to come and ask for more and so, we're able to kind of maintain those levels and, as we mentioned before, the departments are working within their budgets to know if they overspend on the fuel line, then maybe they underspent on, on a different line.
- Choi So, getting just briefly back to the unfunded projects, um, we are to understand that none of that is in any way, shape or form, necessary to the operations of this Town at all?
- Havard I believe that the department heads were present at the meeting and that answered that, yeah.
- Choi Yes, we heard the answer. This is more for public consumption.
- Havard Sure, yes, um, the departments are, yes. Understand that.
- Choi Because I think it's important for us to realize that that's because we're looking at the reserves and what that would mean and how we spend that, how we might be spending that down if we were to fund any of these projects, how additional

funding might come in next year, all those kinds of things because the balanced budget. You know, you've heard me criticize the balanced budget as not really being a balanced budget, but I understand where, where, um, we are on this and we have, we have opportunities in the future to fund these operational expenses to more of a balance. And, so, I'm grateful for that when you pointed out the CARES funding and the other aspects of revenue that might be coming so, but, I wanted to make it clear for public discussion that none of these unfunded projects are necessary for the functioning of the Town.

Havard Good point.

Garrett I appreciate the Mayor for listening to this Council about getting a balanced budget. I think that's important. I have a little bit of homework for you just to kind of—for next meeting. We don't have to go through this now but it would be helpful to me to have a more updated understanding of where we are financially right now. I have it to June 30 but understanding that as we go into approving this budget would be helpful. It also—can you bring up that Word document again or that PDF you had with all sort of priorities? So, it would be helpful for me as well and you and I have talked about this, that there is, you know, we collectively, Mayor, Council have communicated out into the public, these are budget priorities, that there is a mechanism in place that if these budget priorities change, there is a public discussion of that change, there is a, you know, this is why it changes, this is why we want it to change and then there is a vote on that. So, however, that can be set up to do that so it isn't administratively cumbersome but that, I just want to make sure that things that are presented to us and then presented to the community are actually done and if they aren't done, there is a rationale for it which is fine. And the last is understanding of all of the funds that we pull from it and what there are any funds that don't require any sort of additional approval for appropriation out of so that I think we've just got the best financial controls in place and I'm anxious to hear what this finance committee will come up, things that we aren't able to come up with. But, I think if you can provide those to this group before the next vote that would certainly go a long way to getting this wrapped up.

Havard Yes, and we can do that.

Garrett Appreciate it.

Havard Thank you.

Plunkett Tammy, I would, in addition to some of the stuff that President Garrett mentioned, in looking at the form that was sent, form #1 and even in messing around on the Gateway, or the, whatever the system is that you had signed us up for, oh, OpenGov, yeah OpenGov on that, um, there's about 1.1 million dollars in the general account, or the general fund I should say that's for things like professional services or contractual services. Parks, for example, says improvements other than building improvements but there's nothing specifically detailed for that 314,000 dollars or administration professional services/contractual services, nothing detailed for that 136,000 dollars. Is that something that you anticipate getting to us for the budget approval?

- Havard Council was provided an email with the details. I believe Councilor Traylor had requested that on the consulting and the contractual services breakdowns and some other information.
- Plunkett For the entire 1.1?
- Havard Yes, for the 2022 budget as presented.
- Traylor Yeah, it was but it's, I think what you're looking at is it's not something that we can hold anybody to. It's just an Excel spreadsheet that kind of broke it down.
- Plunkett I'm saying it's not like anywhere for us to, I mean, it might be in the Excel spreadsheet, you might have that there but it's nothing for us to vote on, right?
- Garrett I think that dovetails into my ask which is, if the information we have is approving, you know, a PR firm, that if the decision is made not to use it for those funds, that there is then a discussion and vote if you will to make that change without it being too restrictive, right? In setting that threshold, what that is.
- Traylor More specifics so that we make sure that what we think we're approving in a budget is what we're actually going to get done.
- Garrett Yes, yes. Heather, anything to add on the process, I mean, this is the first reading, if there any tweaks that have to happen or requests that happen, it can happen between now and then? Anything you want to add to the conversation?
- Willey Yes, so tonight you're just introducing the budget. So, you do have the opportunity to make changes between now and the end. I think Tammy made a point that the form #3 which is something that's submitted to the state has already been published along with the public hearing which is this evening. What that means for you all is that, for example, there's zero dollars in the Fire Department because those monies have been rolled up to the general fund and that is a line item appropriation so you cannot move following tonight monies from the general fund to the fire fund to make it like a line item budget, you know, outside of the appropriation unless you were to decide that you were going to republish the notice of public hearing and rework the form #3. So, you're locked into the categories and you can't spend more than what's been published as part of our form #3. So, for example, local road and street, you're limited to 500,000 dollars in that particular fund if you move forward without making any change to the form #3 or re-noticing a public hearing. So, yes, you have some flexibility to change individual expenditures encapsulated within those funds but you don't have absent going back and modifying the form #3, the ability to change where those monies sit. Tammy, correct? You're much more competent. You can, you can spend less. That's the ceiling.
- Havard This is the maximum. It's setting the maximum of the budget estimate and the maximum of the tax levy.
- Willey Yes, so it's basically just the notice to the public that this is the money that you plan to spend and these are the receipted tax sources and revenues that you plan

- to receive and where they'll be receipted in each of those individual finds. We can—
- Garrett Based on what Tammy had said, just to clarify, Heather, the fund, department and category are still locked in?
- Havard Not at this point. At this point, we still have flexibility up until the budget adoption.
- Garrett Right, but once it's adopted, in other words, the conversation that we had was, if we moved the Parks stuff from general to the Parks fund, it's probably six of one, half a dozen of the other is my understanding because it would still be locked in after it's done to that department and category. Um, so, I was concerned in the past about it sort of having flexibility at the fund level when it's down three levels to the category level, I think it alleviated at least what my concern was.
- Willey Yes, so you're talking about within the general fund, the subcategory then has to stay if you, if it's subcategorized for Parks and Recreation it has to stay in Parks and Recreation. Those monies can move around within the department. They can't be taken from Parks and Recreation and given to the Fire Department, for example even though it's in the general fund.
- Garrett Right. It has to stay within the category.
- Willey There is flexibility to move it within the category within the department—
- Garrett Correct.
- Willey To be able to meet the –
- Garrett Which it would be if it was its own fund anyways, correct?
- Willey Correct. That's exactly right.
- Garrett Yep.
- Willey And, then I heard Tammy say, and I apologize I wasn't part of the budget discussion on Friday. I heard Tammy say as well that the capital spending, the goal is for all the capital spending to be done by additional appropriation, is that what you said, Tammy?
- Havard I mean, there is capital expenses within this operating budget for, like, general fleet replacement, for instance. So, the Police Department, they need to replace their fleet vehicles, it would not be anything in addition to that. It is the capital on that unfunded list but has, is not included.
- Willey And that's similar to what we did for Parks and Recreation and Fire Department capital expenditures last year. So, is that going to carry through to all categories, all departments for their capital funds if they're not in the public budget? I'm just wondering. Last year, we did have that additional resolution, I think we did that talked about, you know, the capital funds, the ear-

Havard The earmarked funds?

Willey I just want to make sure what we're preparing because that's going to be an extra document we'll need to prepare at some point before year end, correct, Tammy?

Havard We'll talk about it.

Willey Okay. So, I think that's the only other thing that we would need to work out but that typically, we did that. It doesn't have to be done before the November 1; it just has to be done by year end if I'm not mistaken. We did that last heard.

Garrett Yep.

Willey Okay. I just wanted to make sure I heard everybody right.

Traylor So, Heather if we have a specific line item that we want to propose cut, would we do that now? Would we do that at the next meeting? When would that be appropriate?

Willey I think the earlier you do it, the better, so I would recommend doing it this evening because Tammy and Greg will need to go back and rework the numbers and make sure that the categories still are the same.

Traylor And, that would be, my question is because I've got two things I want to cut and I have little doubt that there'll be some opposition to the cuts so would vote to introduce minus these two items or how would that work?

Willey I would recommend that there be discussion among the Council of your goals. Um, if you're going to modify the introduced budget, um, you could either, you could either throw them out tonight just for public transparency and so Tammy and others can understand what those are and how that might, you know, change the dynamics of the budget discussion for final reading.

Traylor Okay.

Willey You know, we did that last year. We moved things around until the very last minute last year so you can certainly do that. I don't think you're locked in by introducing—you're not locked in by introducing the budget this evening by making those changes. Again, with the caveat that you can't change the fund amounts unless you're asking the administration to make a change to the form #3.

Traylor Okay, so the two items that I would like to see cut. I would like to see the total postage reduced by 31,300 dollars and I would like to see the promotions decreased. I'm more flexible on how much on this one so, for reference, in 2020, our total promotions budget was 13 thousand. When adding up all of the promotions in this budget, it comes to 62,100 dollars so effectively over the course of two years, a 478% increase. So, I would like to see that cut to a maximum of 26,000 because that still gives a big bump from the 13,000 in 2020.

It would give it a bump to 26,000 which I think is fair without—I think the total promotions is just excessive compared to where we were just last year.

Garrett Bryan, where are those promotions just so I can follow along here.

Traylor So, if you're looking at form #1, I actually did a quick search by promotions uh, in the line item. So, they, they go down to several different categories. You've got one for controller, you've got a promotions budget for the Mayor. So, the controller's is 1000 dollars, the Mayor's is 35,000 dollars. There's one, there's a promotions budget for planning and zoning. I'm saying the total of all of those, I would, you know, would like to say not have that huge jump that we're seeing from 2020 to now.

Culp And these are not promotions for salaries? I just want to make sure.

Traylor No, no, no. For promotions like—

Culp No, I know but I'm like--

Traylor Promotional pieces, promotional items, promotional, you know, just promoting, you know, overall, promotions. I think that's a category you'd see go up but not so significantly in such a short period of time.

Garrett Tammy, do you or anyone want to talk about what's the benefit of those?

Havard And we can, we can definitely look at that. When you receive the updated financials or even if you look at those June 30 balances, you'll notice that not all of those are fully maximized. Um, those are to promote employees, promote the relationships with the Town and outside vendors, promotions as far as promotional items so communications, economic development purposes and those kind of things. So, that's more of a line item. It's not necessarily utilized all the time but it's there whenever the departments need it. We like to have the departments post expenses to where the actual expense is happening so what we don't want to happen for a department to not have a promotions line and then to have a promotional item and it's posted to contractual services, for example. So, you'll notice in the older budgets that there's not promotions lines for the departments per se and so, I think some of it is nomenclature of how things were recorded before and just not having that structure in place. And, then, we want the ability to be able to track it. Obviously, with COVID, that promotions line in this year and potentially last year, right, would not have been utilized because people are not getting together as much. So, we will go back and look at that. Thank you for your comments on that.

Garrett So, I think. I think that's fair if next meeting, so the request has been made if you can come back, if you, the Mayor or the department heads want to come back and explain what it was used for this year, what it's going to be used for next year and then there can be a debate on that with that information to determine if it stays in or not. Are there any other of those, Councilors, of these line items that you have concerns about?

- Traylor So, specifically, too, I did not include in that the 350,000 dollars from the food and beverage fund because my assumption is, that is when it's listed as promotions that's going into the fund that say, the Chamber of Commerce and others would request grant funds from correct?
- Havard That is absolutely correct.
- Traylor I intentionally left that alone as its own item because I think that is important to support that group or those groups.
- Havard Thank you. And, I will, there's one change to the form #1 as well. In the Parks Department, um, there was vehicles that is for 19,200 and so we would request that that one go down to zero on the final adoption because that is part of the unfunded request associated with a new personnel. So, that one would go down to zero. So, that's updated in the budget platform already if you go back and look at that. So, I have that change and we'll continue to look and make sure that we have all of those changes in there.
- Plunkett Tammy, do you know what the Commission of 314 and the Parks Department, that wasn't in Traylor, in the email to Councilor Traylor. Um, there's parks improvement other than building improvements for 314,000 dollars. Do you know what that's for?
- Havard I will go back and ask the Parks Department for clarification on that. And, if there's any other lines that you see that you want further breakdown, then I can get that from the departments and then pass that on to Council.
- Plunkett And, then do you know how much—you mentioned in the list of priorities that there was, um, a study from the Police Department, ah, regarding their fleet to electronic vehicles, do you know how much that study cost or will cost?
- Havard I do not know that but we will find out and get that to you.
- Plunkett Okay because that, I didn't see that in, outlined anywhere in here either.
- Havard And, it might be just the police officers are researching that as well.
- Garrett Councilors, are there any other questions? Well, why you are thinking about it, this is a public hearing. I know Amy was worried I would forget about this, but I'm not going to, Amy. So, anyone from the public wants to come up and speak about this, you may come up and I'll open the public hearing up? All right, I will close the public hearing. And, then there's proof of publication. Councilors, anything else on the budget? Anything else for Tammy? Thanks, Tammy, that was good information. Any motions on the budget?
- Choi Motion to introduce.
- Garrett A first from Councilor Choi to introduce #2021-11 on first reading. Who's second?
- Burk Second.

Garrett Second is Councilor Burk. All in favor?

All Aye.

Garrett All opposed?
[No response.]

Garrett Okay, ordinance #2021-11 is introduced on first reading, 7 in favor, 0 opposed.

**D. Consideration of the 2022 Salary Ordinance for the Town of Zionsville, Indiana
(First Reading)
Ordinance 2021-12**

Garrett Last new business item, we have a consideration of a 2022 salary ordinance for the Town of Zionsville. This is a first reading. Jo, the floor is yours. This is ordinance #2021-12.

Kiel Good. I will make this as short as can be. It's my pleasure to present the 2022 salary ordinance and holiday schedule. In 2021, we created a new compensation study that is designed to grow with the employee and grow with the Town. If you recall at the time, I anticipated the 2022 to increase to be between 2 and 3%. The recommendation is 2.1% which is in line with consultant's recommendation, with market, World of Work studies, SHRM studies, the Archer company, all the major studies. Um, note that the bands do not impact the actual budget and impact the actual employee's salary. They are really just bumpers that describe the minimum, midpoint and maximum for anybody's salary. The ordinance itself includes four job titles to more accurately reflect the position, Assistant Fire Chief title replaces Deputy Chief of Prevention, Fire Marshall replaces the Fire Inspector title. That role was changed earlier in the year but we just want to formalize the title change. And, then the former Court and Social Services Administrator position was broken into two different part-time positions and those titles are Social Services Investigator and Court Administrator. There were no changes in the 2022 holiday schedule except for the dates for observation. And, that is all I have.

Garrett Very good. Short and to the point, I like it. Any questions for Jo on this? If not, I will make a motion to introduce this ordinance on first reading.

Traylor Second

Garrett I heard Councilor Traylor first, sorry Joe. All in favor?

All Aye.

Garrett All opposed?
[No response.]

Garrett Ordinance #2021-12 is introduced on first reading with a vote of 7 in favor, 0 opposed.

7. OTHER MATTERS

Garrett Any other matters, Councilors?

Melton Mr. President, I just wanted to bring up in the minutes—I know we approved those earlier and I apologize, you kind of buzzed through them but on the memorandum of the minutes as I read through them, there were three areas where the recorder, whoever was taking the notes, one on page 25 of 32, one on 28 of 32 and one on 29 of 32, where Councilor Burk spoke and it said that Councilor Melton was the one speaking so if could get those changes on the 09/20/21 minutes.

Garrett Got it. I believe it's a machine that's doing all that. Heather, do we need to re-vote on anything like that? Just enter it into the record or?

Wiley Yeah, since you already voted, um, I would recommend that you make a motion to revise the memorandum and then revote that just for process and then maybe we'll make sure that we get those, you went through those pretty quick, I was trying to write, but—you could maybe list them one more time and, you know, I'll get those corrected.

Melton Yeah, I'd like to amend the memorandum approval that we've already voted on with changes to page 25 of 32, page 28 of 32 and page 29 of 32, where it states Melton was speaking when it was actually Burk.

Choi You complementing President Garrett or something?

Garrett Surely not. That's a motion and second from Vice-President Plunkett. All in favor?

All Aye.

Garrett All opposed?
[No response.]

Garrett The motion to amend is approved. Any other matters?

Traylor I want to mention one thing. So, I did notice on the Town's website Facebook page, that the Arts and Cultural District received another 2500 dollar grant for public art. I am fully supportive of public art and of them receiving the funding. My ask is that they take into consideration the art that's being put out and that they try to avoid any further controversy by art that may be will be misrepresented or misinterpreted by the public. We have one instance where we've got a piece of artwork that I will point back to a Facebook post I put out on August 21 for anybody that might want to go back and look at it. My thoughts on that piece of artwork. It was actually very supportive of the artwork, just not supportive of the placement. But, I would say if, if we have artwork being put

there, it should be easily understood and, you know, fairly benign in nature as far as controversial topics. So, that's my ask. The Mayor has been the duty on the cultural district's shoulders. She will not be approving any artwork. It's up to them. They can really, per the Mayor's conversation with me, they can put up anything they want. I'm just asking that they be sensitive to the entire community when they approve the artwork that they're going to put up. Thank you.

Garrett Very good. Anyone else?

Choi Yes. Thank you very much. Sunday October 10 is World Mental Health Day and I want to bring this up because it, one of the things that I've been working on is on mental health awareness and that's been an important part of what I wanted to do for this community when I started on the Council. I have been very fortunate enough to be able to work with two incredible people, Amber Nunes and Carrie-Ann Jordan who are in the audience right now. They have done so much work around this in the mental health initiative. They are two Advanced Practice Nurses, retired Advanced Practice Nurses and two parents in the Zionsville community that have done yeoman's work on looking at mental health issues in the community and looking at where we have gaps and the issues that we need to address to be able to create wellness in the community. I've been very fortunate to be able to partner with them on this. One of the things that we wanted to do is to start off by breaking the stigma around this and as Sunday is World Mental Health Day, I wanted to share a little story to let people know that it's okay to hurt and one of the things is to, I think it would be hypocritical, all three of us shared our stories with each other when we first met about why this was important to us and we all come from different backgrounds but we've all struggled through issues of our own and my issue is that I've been a diagnosed bipolar disorder for many years and have struggled with mania and depression. I currently see a therapist and have on a weekly basis and have a psychiatrist. It's okay to hurt. It's okay to seek help. I'm also a recovering alcoholic which is why I haven't drank in almost five years and it's actually harder to talk about the fact that you're an alcoholic. It's almost like the stigma is deeper with substance abuse than with any kind of mental health issues. So, we've heard from a number of people in the community, especially our teenagers and they are hurting and I want to say to, the three of us want to say to our young people and our adults that it's okay to look for help. Please come out and find help. It is, it is a struggle, especially in these times. It is really hard for all of us. And, so as we look towards each other for guidance, look inside yourself for the strength to reach out to others and to seek out help. It's okay to hurt and it's okay to seek out help. So, thank you.

Garrett Very good. Thanks for sharing that Councilor Choi. I know that can't be easy. Any other, Councilors, before we move on to claims?

8. APPROVAL OF CLAIMS

Garrett We've got then, claims. Make a motion unless there's any questions on claims? I make a motion to approve claims.

Burk Second.

Garrett Second from Burk, very good. Councilor Burk. All in favor?

All Aye.

Garrett All opposed?
[No response.]

Garrett Claims are approved by a vote 7 in favor, 0 opposed.

9. ADJOURN

Garrett I will make amotion to adjourn.

Traylor Second.

Garrett Second from Councilor Traylor. All in favor?

All Aye.

Garrett All opposed?
[No response.]

We are adjourned by a vote of 7 in favor, 0 opposed. The next regular Town Council meeting is scheduled for Monday, October 18, 2021 at 7:30 a.m. in the Zionsville Town Hall Council Chambers. Final notice will be posted in compliance with Indiana Open Door Law. Have a safe trip if anyone's going away on fall break.

Respectfully Submitted,

Amelia Anne Lacy, Municipal Relations Coordinator
Town of Zionsville